



Department of Justice

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DEPARTMENT OF JUSTICE DISMISSES ANTITRUST LAWSUIT AGAINST SGL CARBON

Alternative Bidder Purchases Graphite Electrode Assets

WASHINGTON, D.C. – The Department of Justice announced today that it has filed a voluntary notice of dismissal of its antitrust lawsuit against SGL Carbon AG and its United States subsidiary, SGL Carbon LLC, in which the Department had sought to block SGL Carbon's acquisition of certain assets of the Carbide/Graphite Group in a bankruptcy court auction. The Department filed the voluntary notice of dismissal after receiving notice that the alternative bidder at the bankruptcy auction had closed on its purchase of the assets on May 2, 2003.

In its complaint, filed on April 15, 2003, in U.S. District Court in Pittsburgh, the Department alleged that the acquisition would have facilitated coordination among the three remaining producers of large graphite electrodes for sale in the United States and would have substantially reduced competition in the production of large graphite electrodes.

On April 15, the bankruptcy court determined that SGL Carbon's bid was not the highest and best offer at the auction and it awarded the assets to C/G Electrodes Acquisition LLC, a bidder that intends to maintain Carbide/Graphite Group's graphite electrode business as an independent competitor.

Graphite electrodes are a critical input into electric arc furnace steel production, in which scrap metal is melted and refined into steel.

Carbide/Graphite Group is a Delaware corporation headquartered in Pittsburgh. It produces graphite electrodes and generated \$64.5 million in sales in 2001. The company filed for voluntary Chapter 11 Bankruptcy in September 2001, in the bankruptcy court for the Western District of Pennsylvania.

SGL AG is headquartered in Wiesbaden, Germany, and is organized under the laws of Germany. It has sales and manufacturing facilities in Europe, North America, Asia, and South America. SGL Carbon LLC is headquartered in Charlotte, North Carolina. SGL AG reported \$546.6 million in worldwide graphite electrode sales in 2001.

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